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U.S. and China Reach Agreement to Strengthen Space Launch Trade Terms

United States Trade Representative Charlene Barshefsky announced today that the United States and China have reached agreement with respect to space launches that will provide effective price disciplines in some of the most rapidly growing areas of commercial space launch activity. Ambassador Barshefsky and Mr. Liu Jiyan, President of the China National Space Agency, signed the agreement putting the new provisions into effect as part of the overall U.S.-China space launch accord.

“I believe that the document signed today will materially improve the effectiveness of the agreement by placing clear guidelines on the pricing of launch services,” Ambassador Barshefsky said. “All elements of commercial space industries in both countries will benefit from these improvements. Today’s agreement clarifies conditions included in the pricing of launch services in a manner that provides more information and greater certainty to industries interested participating in this market.”

Background

The current U.S.-China Bilateral Agreement on Space Launch Services was signed by the Clinton Administration in 1995, extending an agreement which had been in effect since 1989. It has operated in a mutually beneficial way, facilitating Chinese entry into the international market for commercial space launch services in a non-disruptive manner.

The agreement signed today sets out clear terms regarding Chinese pricing of its space launch services to low earth orbit (LEO). At the time the agreement was negotiated in 1995, there was insufficient experience with commercial activity for launches to LEO to identify pertinent factors which may affect pricing of launches to LEO. As a result, the 1995 Agreement directed the two governments to conduct a detailed examination of the factors affecting the comparability of prices of launches to LEO. The agreement signed today is the result of that detailed examination.